

ASSEMBLY BILL

No. 1871

Introduced by Assembly Member Jones

February 12, 2010

An act to add Section 11580.24 to the Insurance Code, relating to motor vehicle insurance coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1871, as introduced, Jones. Motor vehicle insurance coverage: carsharing.

Existing law prohibits an insured motor vehicle from being classified as a common carrier, livery, or for-hire vehicle solely for the reason that the named insured is performing volunteer services for a nonprofit charitable organization or governmental agency consisting of providing social service transportation, as defined.

This bill would prohibit a motor vehicle from being classified for insurance purposes as a commercial, for-hire, or permissive use vehicle, or livery solely on the basis of it being used for carsharing, as defined, if the revenue generated by carsharing does not exceed the monthly expenses of operating the vehicle, including depreciation, interest, lease payments, auto loan payments, insurance, maintenance, and fuel, provided that motor vehicle insurance coverage is provided by the carsharing organization for the period when the vehicle is being used by a carsharing member who is not the owner.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11580.24 is added to the Insurance Code,
2 to read:
3 11580.24. (a) No motor vehicle insured by the owner pursuant
4 to a policy of insurance issued under Section 11580.1 or 11580.2
5 shall be classified as a commercial vehicle, for-hire vehicle,
6 permissive use vehicle, or livery solely on the basis of it being
7 used for carsharing if the revenue generated by carsharing does
8 not exceed the monthly expenses of operating the vehicle, including
9 depreciation, interest, lease payments, auto loan payments,
10 insurance, maintenance, and fuel, provided that motor vehicle
11 insurance coverage is provided by the carsharing organization for
12 the period when the vehicle is being used by a carsharing member
13 than the owner.
14 (b) For purposes of this section “carsharing” means privately
15 owned motor vehicles that are allowed to be used by other
16 carsharing members as part of a communal pool of motor vehicles.